

BUNDESKANZLERAMT

Michael Steiner
Foreign Policy and Security Advisor
of the Federal Chancellor

Berlin, July 5, 2000

The Honorable
Mr. Samuel A. Berger
Assistant to the President for
National Security Affairs
The White House

Washington, D.C.

Dear Sandy:

Thank you very much for the letter of June 16 which you together with Beth Nolan, Counsel to the President, sent to me following our telephone conversations and the talks held in Washington on June 12 between Graf Lambsdorff, Dr. Gentz and Deputy Secretary of the Treasury Eizenstat. The letter accurately reflects the agreement reached between Graf Lambsdorff, the German Economy Foundation Initiative and Mr. Eizenstat. I would like to thank you for your personal commitment towards resolving the difficult issues surrounding legal peace for German industry within the framework of the Foundation Initiative. We were very much aware of the constitutional problems on the American side.

I have been asked to inform you that the agreement now reached on lasting and comprehensive legal closure for German companies regarding suits in the United States relating to the involvement of German companies in the crimes committed during the Nazi era or World War II, has been accepted by both the German Government and the German companies participating in the Foundation Initiative.

The Chancellor regards the personal commitment of the President of the United States as crucial to the establishment of the Federal Foundation. The agreement now reached has removed the most important obstacle to the completion of the Foundation Act which will most likely be adopted by the German Bundestag on July 6. The German Government remains determined to begin compensation payments to former forced laborers by the end of this year.

After the entry into force of the act on the Foundation Initiative it will largely depend on the plaintiffs' lawyers and American judges whether this objective can be achieved. The German side will do everything in its power to make the necessary preparations, including the conclusion of agreements with partner organizations so that payments can begin as soon as the pending cases have been dismissed.

Sincerely,

/s/ Yours Michael Steiner